

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

- A. **Office and Related Space:** A total of 9769 rentable square feet (RSF), yielding 8495 ANSI/BOMA Office Area (ABOA) square feet (SF) of office space comprised of the partial 1st floor and the entire second floor of the Building located at 50 Airport Road Suite 180, Morristown, NJ as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. **Hangar and Related Space:** A total of 7981 rentable square (RSF), yielding 6940 usable square feet (USF) of hangar space comprised of 3725 rentable square feet (RSF)/3239 ANSI/BOMA Office Area (ABOA) square feet (SF) in hangar E-5, and 4256 rentable square feet (RSF)/3701 ANSI/BOMA Office Area (ABOA) square feet (SF) in hangar E-6 as depicted on the floor plans(s) attached hereto as Exhibit A.
- C. **Common Area Factor:** The Common Area Factor (CAF) is established as 1.15 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. **Parking:** 10 on-site surface/outside parking spaces reserved for the exclusive use of the Government. In addition, Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. **Antennas, Satellite Dishes, and Related Transmission Devices:** Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof of the Building, and use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.



1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	NON FIRM TERM YEARS 1-5	NON FIRM TERM YEARS 6-10
	ANNUAL RENT	ANNUAL RENT
SHELL RENT OFFICE ¹	\$311,338.03	\$339,668.13
SHELL RENT HANGAR ²	\$ 269,598.18	\$294,179.66
OPERATING COSTS ³	\$ 65,085.00	\$ 65,085.00 PLUS ACCRUED OPERATING COST ESCALATIONS
TOTAL ANNUAL RENT	\$646,021.21	\$698,932.79

B. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

C. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

LEASE NO. GS-02P-L24156, PAGE 4 LESSOR:  GOVERNMENT: 

- D. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:
1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
 2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.
 3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.
- E. Parking (surface) shall be provided at no additional cost to the Government

1.04 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time after the firm term of this lease, by providing not less than 120 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 RENEWAL RIGHTS (SEP-2013)-INTENTIONALLY DELETED

This Lease may be renewed at the option of the Government for a term of XX YEARS at the following rental rate(s):

	OPTION TERM, YEARS XX - XX	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$XX	\$XX
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least XX days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

1.06 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013JUN 2012)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
LEVEL II SECURITY REQUIREMENTS	2	B
GSA FORM 3517B GENERAL CLAUSES		C
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS		D

1.07 TENANT-IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)-INTENTIONALLY DELETED

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.08 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)-INTENTIONALLY DELETED

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$XX.XX per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of X percent.

1.09 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED.

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed upon amortization rate over the Firm Term.

~~B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.~~

~~C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:~~

- ~~1. Reduce the security countermeasure requirements;~~
- ~~2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or~~
- ~~3. Negotiate an increase in the rent.~~

1.10 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 56.5 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 17,750 RSF by the total Building space of 31,415 RSF.

1.11 REAL ESTATE TAX BASE (SEP 2013) INTENTIONALLY DELETED.

~~The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease is \$XX. Tax adjustments shall not occur until the tax year following lease commencement has passed.~~

1.12 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$65,085 per annum.

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$4.40 per ABOA SF of the Office Space, and \$3.99 per usable square feet (USF) of hangar space vacated by the Government.

1.14 HOURLY-OVERTIME HVAC RATES (AUG 2011) INTENTIONALLY DELETED

~~The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"~~

- ~~• \$X.XX per hour per zone~~
- ~~• Number of zones: X~~
- ~~• \$X.XX per hour for the entire Space.~~

There shall be no additional cost to the Government for overtime utilities.

1.15 24-HOUR HVAC REQUIREMENT (APR 2011) INTENTIONALLY DELETED

~~The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$X.XX per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.~~

1.16 BUILDING IMPROVEMENTS (SEP 2012)

The Lessor shall complete the following additional Building improvements within 1 year following award of this lease:

- A. HVAC Damper/Controller repair and replacement
- B. Fan and Pump replacement or impeller trimming
- C. Intelligent Light Controls
- D. Install Auto Flush Valves